S T A T E O F N E W Y O R K

1826--C

2013-2014 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 9, 2013

Introduced by M. of A. CUSICK, THIELE, MARKEY, MALLIOTAKIS, LAVINE, GOLDFEDER, SIMANOWITZ, BROOK-KRASNY, BENEDETTO, CAMARA, KEARNS, HEVESI, PERRY, BARRETT, BORELLI, CURRAN, WEPRIN, ROZIC, BRINDISI, CLARK, SKOUFIS, RODRIGUEZ, RUSSELL, DenDEKKER, GJONAJ, MILLER, SKARTADOS, MOSLEY, GANTT, KELLNER, SANTABARBARA, SALADINO, PALUMBO, FITZPATRICK -- Multi-Sponsored by -- M. of A. ARROYO, AUBRY, BLANKENBUSH, BOYLAND, BRAUNSTEIN, BUTLER, COLTON, COOK, CORWIN, CRESPO, CROUCH, CYMBROWITZ, DAVILA, DiPIETRO, FARRELL, FINCH, GARBARINO, GIGLIO, GOODELL, GRAF, HAWLEY, HEASTIE, HENNESSEY, HIKIND, HOOPER, JACOBS, KATZ, KIM, KOLB, LALOR, LENTOL, P. LOPEZ, MAGEE, McDONALD, McDONOUGH, McLAUGHLIN, MONTESANO, MOYA, NOJAY, OAKS, ORTIZ, OTIS, PALMESANO, PEOPLES-STOKES, PRETLOW, RA, RIVERA, ROSA, SCHIMEL, SCHIMMINGER, SIMOTAS, SOLAGES, STEC, SWEENEY, TENNEY, TITONE, TITUS, WALTER, WEINSTEIN, WEISENBERG, WRIGHT -- read once and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Ways and Means in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law and the education law, in relation to enacting the "education investment tax credit act"

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Short title. This act shall be known and may be cited as the "education investment tax credit act".

S 2. Legislative findings and intent. The legislature hereby finds and declares that:

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD00834-27-4

a. The education of the children of this state is one of the foundations of a strong society that requires an academically robust and financially sound school system, both public and non-public;

b. At a time when the state is considering ways of reducing the tax burden for New York state residents and educators are seeking an expansion of financial resources, charitable giving for educational purposes should be encouraged;

c. Permitting public education entities such as school districts and individual public schools to accept and receive voluntary cash contributions will be beneficial to taxpayers and educators;

d. Encouraging voluntary support for education, without prejudice for or against any state-sanctioned educational enterprise, promotes the state's interest in providing the highest quality education to all children in the state;

e. The tax credit provided in this act is merely one of many credits available to New York taxpayers;

f. The intended beneficiaries of the tax credits provided in this act are the students who attend public schools, students who further their educations using tuition scholarships from educational scholarship organizations, and teachers who purchase with personal funds to supply their students and classrooms, and who seek charitable donations for classroom projects and initiatives;

g. Permitting educators to claim a credit for the purchase of classroom instructional materials and supplies will insure a wider availability of such materials and supplies for all students.

S 3. The tax law is amended by adding a new section 41 to read as follows:

S 41. EDUCATION INVESTMENT TAX CREDIT. (A) DEFINITIONS. FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "AUTHORIZED CONTRIBUTION" MEANS THE CONTRIBUTION AMOUNT THAT IS LISTED ON THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO THE TAXPAYER.

2. "AVAILABLE CREDIT" SHALL MEAN THE AMOUNT OF CREDIT AUTHORIZED FOR THE TAXABLE YEAR PURSUANT TO SUBDIVISION (J) OF THIS SECTION MINUS THE SUM OF THE AMOUNTS LISTED IN THE CONTRIBUTION AUTHORIZATION CERTIFICATES ISSUED BY THE DEPARTMENT FOR THE CALENDAR YEAR.

3. "CONTRIBUTION" MEANS A DONATION PAID BY CASH, CHECK, ELECTRONIC FUNDS TRANSFER, DEBIT CARD OR CREDIT CARD THAT IS MADE BY THE TAXPAYER DURING THE TAXABLE YEAR.

4. "EDUCATIONAL PROGRAM" MEANS AN ACADEMIC OR SIMILAR PROGRAM OF A PUBLIC SCHOOL THAT ENHANCES THE CURRICULUM OR ACADEMIC PROGRAM OF THE PUBLIC SCHOOL, OR PROVIDES A PRE-KINDERGARTEN PROGRAM TO THE PUBLIC SCHOOL. FOR PURPOSES OF THIS DEFINITION, THE INSTRUCTION, MATERIALS, PROGRAMS AND OTHER ACTIVITIES OFFERED BY OR THROUGH AN EDUCATIONAL PROGRAM MAY INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING FEATURES: (I) INSTRUCTION OR MATERIALS PROMOTING HEALTH, PHYSICAL EDUCATION, AND FAMILY AND CONSUMER SCIENCES; LITERARY, PERFORMING AND VISUAL ARTS; MATHEMATICS, SOCIAL STUDIES, TECHNOLOGY AND SCIENTIFIC ACHIEVEMENT; (II) INSTRUCTION OR PROGRAMMING TO MEET THE EDUCATION NEEDS OF AT-RISK STUDENTS OR STUDENTS WITH DISABILITIES, INCLUDING TUTORING OR COUNSELING; (III) INSTRUCTION OR PROGRAMMING BEFORE OR AFTER PUBLIC SCHOOL HOURS, OR ON WEEKENDS THAT IMPROVES STUDENT ACADEMIC ACHIEVEMENT INCLUDING PREPARATION FOR COLLEGE OR A CAREER; OR (IV) THE USE OF SPECIALIZED INSTRUCTIONAL MATERIALS, INSTRUCTORS OR INSTRUCTION NOT PROVIDED BY A PUBLIC SCHOOL.

5. "EDUCATIONAL SCHOLARSHIP ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTITY THAT (I) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) USES OR DESIGNATES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE LAST MONTH OF THE IMMEDIATELY PRECEDING CALENDAR YEAR AND THE FIRST ELEVEN MONTHS OF THE CALENDAR YEAR AND ANY INCOME DERIVED FROM SUCH QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS FOR SCHOLARSHIPS, (III) PROVIDES SCHOLARSHIPS TO ELIGIBLE PUPILS FOR USE AT NOT FEWER THAN THREE QUALIFIED SCHOOLS, (IV) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (V) IS APPROVED TO RECEIVE AUTHORIZED CONTRIBUTIONS AND ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW.

6. "ELIGIBLE PUPIL" MEANS A CHILD WHO IS (I) A RESIDENT OF THIS STATE, (II) OF SCHOOL AGE IN ACCORDANCE WITH SUBDIVISION ONE OF SECTION THIRTY-TWO HUNDRED TWO OF THE EDUCATION LAW OR WHO IS FOUR YEARS OF AGE ON OR BEFORE DECEMBER FIRST OF THE YEAR IN WHICH SUCH CHILD IS ENROLLED IN A PRE-KINDERGARTEN PROGRAM, (III) ATTENDS OR IS ABOUT TO ATTEND A QUALIFIED SCHOOL, AND (IV) WHOSE HOUSEHOLD'S ADJUSTED GROSS INCOME SHALL NOT EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS, PROVIDED HOWEVER, THAT SUCH INCOME LEVEL SHALL BE INCREASED FOR AN ELIGIBLE PUPIL BY TEN THOUSAND DOLLARS FOR EACH DEPENDENT CHILD ABOVE TWO CHILDREN IN SUCH HOUSEHOLD, NOT TO EXCEED AN ADDITIONAL FIFTY THOUSAND DOLLARS.

7. "LOCAL EDUCATION FUND" MEANS A NOT-FOR-PROFIT ENTITY WHICH (I) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) IS ESTABLISHED FOR THE PURPOSE OF SUPPORTING AT LEAST ONE PUBLIC SCHOOL OR A PUBLIC SCHOOL DISTRICT LOCATED IN THIS STATE, (III) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE LAST MONTH OF THE IMMEDIATELY PRECEDING CALENDAR YEAR AND THE FIRST ELEVEN MONTHS OF THE CALENDAR YEAR AND ANY INCOME DERIVED FROM SUCH QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS TO SUPPORT THE PUBLIC SCHOOL OR SCHOOLS OR PUBLIC SCHOOL DISTRICT OR DISTRICTS THAT SUCH FUND HAS BEEN ESTABLISHED TO SUPPORT, (IV) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE FUND'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (V) IS APPROVED TO RECEIVE AUTHORIZED CONTRIBUTIONS AND ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW.

8. "NON-PUBLIC SCHOOL" MEANS ANY NOT-FOR-PROFIT PRE-KINDERGARTEN PROGRAM OR ELEMENTARY OR SECONDARY SECTARIAN OR NONSECTARIAN SCHOOL IN THIS STATE, OTHER THAN A PUBLIC SCHOOL, THAT PROVIDES INSTRUCTION AT ONE OR MORE LOCATIONS TO ELIGIBLE PUPILS IN ACCORDANCE WITH SUBDIVISION TWO OF SECTION THIRTY-TWO HUNDRED FOUR OF THE EDUCATION LAW.

9. "PUBLIC EDUCATION ENTITY" MEANS (I) A SCHOOL DISTRICT IN THIS STATE, (II) A PUBLIC SCHOOL IN THIS STATE, PROVIDED THAT SUCH SCHOOL DISTRICT OR PUBLIC SCHOOL DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE FROM OPERATING OR OTHER FUNDS AND IS APPROVED TO RECEIVE AUTHORIZED CONTRIBUTIONS AND ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW.

10. "PUBLIC SCHOOL" MEANS ANY FREE ELEMENTARY OR SECONDARY SCHOOL IN THIS STATE PURSUANT TO ARTICLE ELEVEN OF THE CONSTITUTION, BUT SHALL NOT INCLUDE A CHARTER SCHOOL AUTHORIZED BY ARTICLE FIFTY-SIX OF THE EDUCATION LAW.

11. "PUBLIC SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT DESCRIBED IN ARTICLE THIRTY-ONE OR THIRTY-SEVEN OF THE EDUCATION LAW.

12. "QUALIFIED CONTRIBUTION" MEANS THE AUTHORIZED CONTRIBUTION MADE BY A TAXPAYER TO A PUBLIC EDUCATION ENTITY, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION LISTED IN THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO THE TAXPAYER FOR WHICH THE TAXPAYER HAS RECEIVED A CERTIFICATE OF RECEIPT FROM SUCH ENTITY, FUND OR ORGANIZATION.

13. "QUALIFIED EDUCATOR" MEANS AN INDIVIDUAL WHO IS A TEACHER, INSTRUCTOR, COUNSELOR, PRINCIPAL, OR AIDE IN A QUALIFIED SCHOOL FOR AT LEAST NINE HUNDRED HOURS DURING A SCHOOL YEAR.

14. "QUALIFIED SCHOOL" MEANS A PUBLIC SCHOOL OR NON-PUBLIC SCHOOL LOCATED IN THIS STATE.

15. "SCHOLARSHIP" MEANS AN EDUCATIONAL SCHOLARSHIP OR TUITION GRANT AWARDED TO AN ELIGIBLE PUPIL TO ATTEND A QUALIFIED SCHOOL IN AN AMOUNT NOT TO EXCEED THE TUITION NECESSARY TO ATTEND SUCH SCHOOL; PROVIDED, HOWEVER, IN THE CASE OF AN ELIGIBLE PUPIL ATTENDING A PUBLIC SCHOOL IN A DISTRICT OF WHICH SUCH PUPIL IS NOT A RESIDENT, THE AMOUNT OF THE EDUCATIONAL SCHOLARSHIP OR TUITION GRANT AWARDED MAY NOT EXCEED THE TUITION CHARGED BY THE PUBLIC SCHOOL PURSUANT TO PARAGRAPH D OF SUBDIVISION FOUR OF SECTION THIRTY-TWO HUNDRED TWO OF THE EDUCATION LAW, BUT ONLY IF THE SCHOOL DISTRICT OF WHICH SUCH PUPIL IS A RESIDENT IS NOT REQUIRED TO PAY FOR SUCH TUITION.

16. "SCHOOL IMPROVEMENT ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTITY WHICH (I) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE LAST MONTH OF THE IMMEDIATELY PRECEDING CALENDAR YEAR AND THE FIRST ELEVEN MONTHS OF THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS TO ASSIST PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE IN THEIR PROVISION OF EDUCATIONAL PROGRAMS, EITHER BY MAKING CONTRIBUTIONS TO ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE OR PROVIDING EDUCATIONAL PROGRAMS TO, OR IN CONJUNCTION WITH, ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE, (III) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (IV) IS APPROVED TO RECEIVE AUTHORIZED CONTRIBUTIONS AND ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW. SUCH TERM INCLUDES A PRE-KINDERGARTEN PROGRAM OR NOT-FOR-PROFIT ENTITY THAT ALLOWS THE TAXPAYER TO CHOOSE TO DONATE TO A PROGRAM, PROJECT OR INITIATIVE IDENTIFIED BY A QUALIFIED EDUCATOR FOR USE IN A PUBLIC SCHOOL.

(B) ALLOWANCE OF CREDIT. A TAXPAYER SUBJECT TO TAX UNDER ARTICLE NINE-A, TWENTY-TWO, THIRTY-TWO, OR THIRTY-THREE OF THIS CHAPTER SHALL BE ALLOWED AN EDUCATION INVESTMENT TAX CREDIT AGAINST SUCH TAX, PURSUANT TO THE PROVISIONS REFERENCED IN SUBDIVISION (M) OF THIS SECTION, WITH RESPECT TO QUALIFIED CONTRIBUTIONS FOR WHICH THE APPLICATION REQUIREMENTS OF SUBDIVISION (F) AND THE CERTIFICATION REQUIREMENTS OF SUBDIVISIONS (G) AND (H) OF THIS SECTION HAVE BEEN MET; PROVIDED, HOWEVER, THAT IF THE TAXPAYER ELECTS TO CLAIM AN ITEMIZED DEDUCTION PURSUANT TO SECTION SIX HUNDRED FIFTEEN OF THIS CHAPTER FOR CHARITABLE CONTRIBUTIONS

UNDER SECTION ONE HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE, OR A DEDUCTION PURSUANT TO ARTICLES NINE-A, THIRTY-TWO OR THIRTY-THREE OF THIS CHAPTER FOR SUCH QUALIFIED CONTRIBUTIONS, THE TAXPAYER SHALL NOT BE ALLOWED TO CLAIM BOTH AN EDUCATION INVESTMENT TAX CREDIT AND A DEDUCTION FOR SUCH QUALIFIED CONTRIBUTIONS. THE COMMISSIONER SHALL MAINTAIN A LIST OF THE PUBLIC EDUCATION ENTITIES, LOCAL EDUCATION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS THAT ARE AUTHORIZED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW.

(C) AMOUNT OF CREDIT. THE AMOUNT OF THE CREDIT SHALL EQUAL THE SUM OF THE CREDIT COMPONENTS SPECIFIED IN PARAGRAPHS ONE, TWO AND THREE OF SUBDIVISION (D) OF THIS SECTION FOR THE TAXABLE YEAR; PROVIDED, HOWEVER, THAT THE AMOUNT OF CREDIT FOR QUALIFIED CONTRIBUTIONS SHALL NOT EXCEED THE LESSER OF (I) THE SUM OF SUCH CREDIT COMPONENTS, OR (II) THE CREDIT LIMITATION PRESCRIBED BY SUBDIVISIONS (I) AND (J) OF THIS SECTION. WHEN A QUALIFIED CONTRIBUTION IS MADE BY A PARTNERSHIP, ANY DIRECT OR INDIRECT PARTNER IN SUCH PARTNERSHIP WHO OR WHICH IS TAXABLE UNDER ARTICLE NINE-A, TWENTY-TWO, THIRTY-TWO OR THIRTY-THREE OF THIS CHAPTER SHALL BE A TAXPAYER UNDER THIS PARAGRAPH AND ALLOWED A PRO RATA SHARE OF THE CREDIT AGAINST SUCH TAX. WHEN A QUALIFIED CONTRIBUTION IS MADE BY A NEW YORK S CORPORATION, ANY SHAREHOLDER IN SUCH NEW YORK S CORPORATION WHO IS TAXABLE UNDER ARTICLE TWENTY-TWO OF THIS CHAPTER SHALL BE A TAXPAYER UNDER THIS PARAGRAPH AND ALLOWED A PRO RATA SHARE OF THE CREDIT AGAINST SUCH TAX.

(D) CREDIT COMPONENTS. 1. PUBLIC EDUCATION ENTITY CREDIT COMPONENT. THE PUBLIC EDUCATION ENTITY CREDIT COMPONENT SHALL EQUAL THE SUM OF THE QUALIFIED CONTRIBUTIONS MADE TO A PUBLIC EDUCATION ENTITY OR SCHOOL IMPROVEMENT ORGANIZATION BY THE TAXPAYER DURING THE TAXABLE YEAR, AS LISTED ON THE CERTIFICATE OR CERTIFICATES OF RECEIPT PROVIDED TO THE TAXPAYER, FOR WHICH THE TAXPAYER HAS RECEIVED A CONTRIBUTION AUTHORIZATION CERTIFICATE; PROVIDED, HOWEVER, THAT A TAXPAYER SHALL NOT BE ALLOWED CREDIT FOR ANY QUALIFIED CONTRIBUTIONS IF THE TAXPAYER DESIGNATES THE CONTRIBUTIONS FOR THE DIRECT BENEFIT OF ANY PARTICULAR STUDENT; AND, PROVIDED FURTHER THAT THE TAXPAYER SHALL NOT BE ALLOWED CREDIT FOR QUALIFIED CONTRIBUTIONS FOR WHICH THE TAXPAYER CLAIMED A FEDERAL ITEMIZED DEDUCTION UNLESS THE TAXPAYER ADDS BACK THE AMOUNT OF THE ITEMIZED DEDUCTION PURSUANT TO SECTION TWO HUNDRED EIGHT, SIX HUNDRED TWELVE, FOURTEEN HUNDRED FIFTY-THREE OR FIFTEEN HUNDRED THREE OF THIS CHAPTER.

2. LOCAL EDUCATION FUND CREDIT COMPONENT. THE LOCAL EDUCATION FUND CREDIT COMPONENT SHALL EQUAL THE SUM OF THE QUALIFIED CONTRIBUTIONS MADE TO A LOCAL EDUCATION FUND OR FUNDS BY THE TAXPAYER DURING THE TAXABLE YEAR, AS LISTED ON THE CERTIFICATE OR CERTIFICATES OF RECEIPT PROVIDED TO THE TAXPAYER, FOR WHICH THE TAXPAYER HAS RECEIVED A CONTRIBUTION AUTHORIZATION CERTIFICATE; PROVIDED, HOWEVER, THAT A TAXPAYER SHALL NOT BE ALLOWED CREDIT FOR ANY QUALIFIED CONTRIBUTIONS IF THE TAXPAYER DESIGNATES THE CONTRIBUTIONS FOR THE DIRECT BENEFIT OF ANY PARTICULAR STUDENT; AND, PROVIDED FURTHER THAT THE TAXPAYER SHALL NOT BE ALLOWED CREDIT FOR QUALIFIED CONTRIBUTIONS FOR WHICH THE TAXPAYER CLAIMED A FEDERAL ITEMIZED DEDUCTION UNLESS THE TAXPAYER ADDS BACK THE AMOUNT OF THE ITEMIZED DEDUCTION PURSUANT TO SECTION TWO HUNDRED EIGHT, SIX HUNDRED TWELVE, FOURTEEN HUNDRED FIFTY-THREE OR FIFTEEN HUNDRED THREE OF THIS CHAPTER.

3. EDUCATIONAL SCHOLARSHIP ORGANIZATION CREDIT COMPONENT. THE EDUCATIONAL SCHOLARSHIP ORGANIZATION CREDIT COMPONENT SHALL BE THE SUM OF QUALIFIED CONTRIBUTIONS MADE TO AN EDUCATIONAL SCHOLARSHIP ORGANIZATION OR ORGANIZATIONS BY THE TAXPAYER DURING THE TAXABLE YEAR, AS LISTED ON

THE CERTIFICATE OR CERTIFICATES OF RECEIPT PROVIDED TO THE TAXPAYER, FOR WHICH THE TAXPAYER HAS RECEIVED A CONTRIBUTION AUTHORIZATION CERTIFICATE; PROVIDED, HOWEVER, THAT A TAXPAYER SHALL NOT BE ALLOWED CREDIT FOR ANY QUALIFIED CONTRIBUTIONS THAT ARE FOR THE DIRECT BENEFIT OF ANY PARTICULAR STUDENT; AND, PROVIDED FURTHER THAT THE TAXPAYER SHALL NOT BE ALLOWED A CREDIT FOR QUALIFIED CONTRIBUTIONS FOR WHICH THE TAXPAYER CLAIMED A FEDERAL ITEMIZED DEDUCTION UNLESS THE TAXPAYER ADDS BACK THE AMOUNT OF THE ITEMIZED DEDUCTION PURSUANT TO SECTION TWO HUNDRED EIGHT, SIX HUNDRED TWELVE, FOURTEEN HUNDRED FIFTY-THREE OR FIFTEEN HUNDRED THREE OF THIS CHAPTER.

(E) CONTRIBUTION AUTHORIZATION CERTIFICATE; REQUIREMENT. A TAXPAYER SHALL NOT BE ALLOWED A CREDIT PURSUANT TO THIS SECTION FOR ANY CONTRIBUTION MADE BY THE TAXPAYER TO A PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT WAS MADE PRIOR TO THE DEPARTMENT'S ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE FOR SUCH CONTRIBUTION. A TAXPAYER MAY BE ISSUED MULTIPLE CONTRIBUTION AUTHORIZATION CERTIFICATES BY THE DEPARTMENT, PROVIDED THAT THE TAXPAYER MAKES AN APPLICATION FOR EACH SUCH CERTIFICATE.

(F) APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES. PRIOR TO MAKING A CONTRIBUTION TO A PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION, THE TAXPAYER SHALL APPLY FOR A CONTRIBUTION AUTHORIZATION CERTIFICATE FOR SUCH CONTRIBUTION. TAXPAYERS THAT WANT TO MAKE MORE THAN ONE CONTRIBUTION TO A PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION OR CONTRIBUTE TO MORE THAN ONE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION, MUST MAKE A SEPARATE APPLICATION FOR EACH SUCH CONTRIBUTION AUTHORIZATION CERTIFICATE. SUCH APPLICATION SHALL BE IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT, PROVIDED THAT SUCH APPLICATION INCLUDES (I) THE TAXPAYER'S NAME AND ADDRESS, (II) THE NAME AND ADDRESS OF EACH PUBLIC EDUCATION ENTITY, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT WILL RECEIVE A CONTRIBUTION FROM THE TAXPAYER, (III) THE AMOUNT THAT THE TAXPAYER WILL CONTRIBUTE TO SUCH ENTITY, FUND OR ORGANIZATION, AND (IV) ANY OTHER INFORMATION THAT THE COMMISSIONER DEEMS NECESSARY; PROVIDED, HOWEVER, THAT THE AGGREGATE AMOUNT OF CREDIT FOR WHICH A TAXPAYER MAY APPLY CANNOT EXCEED FIVE PERCENT OF ONE HALF OF THE CREDIT CAP SET FORTH IN SUBDIVISION (J) OF THIS SECTION. THE DEPARTMENT MAY ALLOW TAXPAYERS TO MAKE MULTIPLE APPLICATIONS ON THE SAME FORM, PROVIDED THAT EACH APPLICATION SHALL BE TREATED AS A SEPARATE APPLICATION.

(G) CONTRIBUTION AUTHORIZATION CERTIFICATES. 1. ISSUANCE OF CERTIFICATES. THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIFICATES IN TWO PHASES IN ACCORDANCE WITH THE CREDIT LIMITATIONS AND CAP SET FORTH IN SUBDIVISIONS (I) AND (J) OF THIS SECTION. IN PHASE ONE, THE APPLICATION PROCESS BEGINS ON THE FIRST DAY OF JANUARY AND ENDS ON THE FOURTEENTH DAY OF JANUARY. DURING THIS APPLICATION PERIOD THE COMMISSIONER SHALL NOT ISSUE ANY CONTRIBUTION AUTHORIZATION CERTIFICATES. ON THE FIFTEENTH DAY OF JANUARY, THE COMMISSIONER SHALL ISSUE CREDIT AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING THE PHASE ONE APPLICATION PERIOD ON A FIRST-COME, FIRST-SERVE BASIS, BASED UPON THE DATE THAT THE DEPARTMENT RECEIVED THE CONTRIBUTION APPLICATION IN ACCORDANCE WITH THE CREDIT LIMITATIONS AND CAP SET FORTH IN SUBDIVISIONS (I) AND (J) OF THIS SECTION, PROVIDED THAT IF THE AGGREGATE TOTAL OF THE CONTRIBUTIONS FOR WHICH APPLICATIONS HAVE BEEN FILED DURING THE PHASE

ONE APPLICATION PERIOD EXCEEDS THE CREDIT GAP FOR QUALIFIED CONTRIBUTIONS AVAILABLE IN ACCORDANCE WITH THE CREDIT LIMITATIONS AND CAP SET FORTH IN SUBDIVISIONS (I) AND (J) OF THIS SECTION, THE AUTHORIZED CONTRIBUTION AMOUNT LISTED IN EACH CONTRIBUTION AUTHORIZATION CERTIFICATE SHALL EQUAL THE PRO-RATA SHARE OF THE AVAILABLE CREDIT. IN PHASE TWO, THE APPLICATION PROCESS BEGINS ON THE FIFTEENTH DAY OF JANUARY AND ENDS ON THE THIRTY-FIRST DAY OF DECEMBER. DURING THIS PHASE TWO APPLICATION PERIOD, THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIFICATES ON A FIRST-COME, FIRST-SERVE BASIS, BASED UPON THE DATE THAT THE DEPARTMENT RECEIVED THE CONTRIBUTOR'S APPLICATION FOR SUCH CONTRIBUTION AUTHORIZATION CERTIFICATE; PROVIDED, HOWEVER, THAT IF ON ANY DAY THE DEPARTMENT RECEIVES APPLICATIONS FOR WHICH THE AGGREGATE TOTAL OF CONTRIBUTIONS FOR WHICH APPLICATIONS HAVE BEEN MADE EXCEEDS THE CREDIT CAP FOR QUALIFIED CONTRIBUTIONS AVAILABLE TO ALL TAXPAYERS AS SET FORTH IN SUBDIVISION (J) OF THIS SECTION, THE AUTHORIZED CONTRIBUTION AMOUNT LISTED IN EACH CONTRIBUTION AUTHORIZATION CERTIFICATE ON SUCH DAY SHALL EQUAL THE PRO-RATA SHARE OF THE AVAILABLE CREDIT. FOR PURPOSES OF DETERMINING A TAXPAYER'S PRO-RATA SHARE OF AVAILABLE CREDIT, THE COMMISSIONER SHALL MULTIPLY THE AMOUNT OF AVAILABLE CREDIT BY A FRACTION, THE NUMERATOR OF WHICH EQUALS THE AUTHORIZED CREDIT AMOUNT LISTED ON THE TAXPAYER'S APPLICATION AND THE DENOMINATOR OF WHICH EQUALS THE AGGREGATE AMOUNT OF AUTHORIZED CREDIT SOUGHT IN ALL OF THE AFFECTED APPLICATIONS.

2. CONTRIBUTION AUTHORIZATION CERTIFICATE LIMITS. A TAXPAYER'S AGGREGATE AUTHORIZED CONTRIBUTION AMOUNT AS LISTED ON ONE OR MORE AUTHORIZED CONTRIBUTION CERTIFICATES ISSUED TO THE TAXPAYER, SHALL NOT EXCEED THE LESSER OF (I) FIVE PERCENT OF ONE HALF OF THE CREDIT CAP SET FORTH IN SUBDIVISION (J) OF THIS SECTION FOR THE CALENDAR YEAR, OR (II) THE AGGREGATE OF THE AMOUNTS LISTED ON THE TAXPAYER'S APPLICATIONS SUBMITTED IN ACCORDANCE WITH SUBDIVISION (F) OF THIS SECTION.

3. CONTRIBUTION AUTHORIZATION CERTIFICATE CONTENTS. EACH CONTRIBUTION AUTHORIZATION CERTIFICATE SHALL STATE (I) THE DATE SUCH CERTIFICATE WAS ISSUED, (II) THE DATE BY WHICH THE AUTHORIZED CONTRIBUTIONS LISTED IN THE CERTIFICATE MUST BE MADE, WHICH SHALL BE SIXTY DAYS FROM THE DATE OF THE ISSUANCE OF CREDIT AUTHORIZATION CERTIFICATE, (III) THE FIRST TAXABLE YEAR FOR WHICH CREDIT MAY BE CLAIMED BY THE TAXPAYER, (IV) THE TOTAL AMOUNT OF AUTHORIZED CONTRIBUTIONS, (V) THE NAME AND ADDRESS OF THE EDUCATIONAL SCHOLARSHIP ORGANIZATION, PUBLIC EDUCATION ENTITY OR LOCAL EDUCATION FUND TO WHICH THE TAXPAYER MAY MAKE AN AUTHORIZED CONTRIBUTION AND THE AMOUNT OF SUCH AUTHORIZED CONTRIBUTION, AND (VI) ANY OTHER INFORMATION THAT THE COMMISSIONER DEEMS NECESSARY. ISSUED CREDIT AUTHORIZATION CERTIFICATES SHALL BE MAILED TO THE APPROPRIATE TAXPAYERS WITHIN THREE BUSINESS DAYS OF THEIR ISSUANCE.

4. NOTIFICATION OF THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE. WITHIN FIFTEEN DAYS OF THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE, THE COMMISSIONER SHALL NOTIFY THE EDUCATIONAL SCHOLARSHIP ORGANIZATION, PUBLIC EDUCATION ENTITY, OR LOCAL EDUCATION FUND OF THE ISSUANCE OF THE CONTRIBUTION AUTHORIZATION CERTIFICATE TO THE TAXPAYER. SUCH NOTIFICATION SHALL INCLUDE (I) THE TAXPAYER'S NAME AND ADDRESS, (II) THE DATE SUCH CERTIFICATE WAS ISSUED, (III) THE DATE BY WHICH THE AUTHORIZED CONTRIBUTION LISTED IN THE NOTIFICATION MUST BE CONTRIBUTED, (IV) THE AMOUNT OF THE AUTHORIZED CONTRIBUTION, AND (V) ANY OTHER INFORMATION THAT THE COMMISSIONER DEEMS NECESSARY.

5. DISCLOSURE OF CREDIT AVAILABLE. THE COMMISSIONER SHALL MAINTAIN ON THE DEPARTMENT'S WEBSITE A RUNNING TOTAL OF THE AMOUNT OF CREDITS FOR WHICH TAXPAYERS MAY MAKE APPLICATION FOR CONTRIBUTION AUTHORIZATION CERTIFICATION. SUCH RUNNING TOTAL SHALL BE UPDATED ON A DAILY BASIS.

(H) CERTIFICATE OF RECEIPT. 1. IN GENERAL. NO PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL ISSUE A CERTIFICATE OF RECEIPT FOR ANY CONTRIBUTION MADE BY A TAXPAYER UNLESS SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION HAS BEEN APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW. NO PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL ISSUE A CERTIFICATE OF RECEIPT FOR A CONTRIBUTION MADE BY A TAXPAYER UNLESS SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION HAS RECEIVED NOTICE FROM THE DEPARTMENT THAT THE DEPARTMENT ISSUED A CREDIT AUTHORIZATION CERTIFICATE TO THE TAXPAYER FOR SUCH CONTRIBUTION.

2. TIMELY CONTRIBUTION. IF A TAXPAYER MAKES A CONTRIBUTION TO THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SET FORTH ON THE CREDIT AUTHORIZATION CERTIFICATE ISSUED TO THE TAXPAYER BY THE DEPARTMENT PRIOR TO THE DATE BY WHICH SUCH AUTHORIZED CONTRIBUTION SHALL BE MADE, SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL, WITHIN THIRTY DAYS OF RECEIPT OF THE AUTHORIZED CONTRIBUTION, ISSUE TO THE TAXPAYER A WRITTEN CERTIFICATE OF RECEIPT; PROVIDED, HOWEVER, THAT THE AMOUNT OF THE QUALIFIED CONTRIBUTION LISTED ON SUCH CERTIFICATE OF RECEIPT SHALL NOT EXCEED THE LESSER OF THE AUTHORIZED CONTRIBUTION AMOUNT OR THE AMOUNT OF THE CONTRIBUTION; AND PROVIDED, FURTHER, THAT IF THE TAXPAYER HAS BEEN ISSUED MORE THAN ONE CREDIT AUTHORIZATION CERTIFICATE FOR SUCH CONTRIBUTIONS, THE AMOUNT OF THE QUALIFIED CONTRIBUTION LISTED ON SUCH CERTIFICATE OF RECEIPT SHALL NOT EXCEED THE LESSER OF THE AGGREGATE OF THE AMOUNT OF THE AUTHORIZED CONTRIBUTIONS OR THE AMOUNT OF CONTRIBUTIONS.

3. UNTIMELY CONTRIBUTION. IF A TAXPAYER FAILS TO MAKE A CONTRIBUTION TO THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION LISTED IN THE AUTHORIZED CONTRIBUTION CERTIFICATE ISSUED TO THE TAXPAYER IN AN AMOUNT EQUAL TO THE AUTHORIZED CONTRIBUTION AMOUNT LISTED IN SUCH CERTIFICATE PRIOR TO THE DATE BY WHICH SUCH AUTHORIZED CONTRIBUTION IS REQUIRED TO BE MADE, THE TAXPAYER SHALL NOT BE ENTITLED TO A CERTIFICATE OF RECEIPT FOR ANY AMOUNT NOT CONTRIBUTED.

4. CERTIFICATE OF RECEIPT CONTENTS. EACH CERTIFICATE OF RECEIPT SHALL STATE (I) THE NAME AND ADDRESS OF THE ISSUING PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION, (II) THE TAXPAYER'S NAME AND ADDRESS, (III) THE DATE FOR EACH QUALIFIED CONTRIBUTION, (IV) THE AMOUNT OF EACH QUALIFIED CONTRIBUTION AND THE CORRESPONDING CONTRIBUTION AUTHORIZATION CERTIFICATE NUMBER, (V) THE TOTAL AMOUNT OF QUALIFIED CONTRIBUTIONS, AND (VI) ANY OTHER INFORMATION THAT THE COMMISSIONER MAY DEEM NECESSARY.

5. NOTIFICATION TO THE DEPARTMENT FOR THE ISSUANCE OF A CERTIFICATE OF RECEIPT. UPON THE ISSUANCE OF A CERTIFICATE OF RECEIPT, THE ISSUING PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL, WITHIN THIRTY DAYS OF ISSUING THE CERTIFICATE OF RECEIPT, PROVIDE THE DEPARTMENT WITH NOTIFICATION OF THE ISSUANCE OF SUCH CERTIFICATE IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT, PROVIDED THAT SUCH NOTIFICATION SHALL INCLUDE (I) THE TAXPAYER'S NAME AND ADDRESS, (II) THE DATE OF THE ISSUANCE OF A CERTIFICATE OF RECEIPT, (III) THE QUALIFIED CONTRIBUTION DATE

OR DATES THE AMOUNTS CONTRIBUTED ON SUCH DATES, AND THE CORRESPONDING CONTRIBUTION AUTHORIZATION CERTIFICATE NUMBERS, (IV) THE TOTAL QUALIFIED CONTRIBUTION LISTED ON SUCH CERTIFICATE, (V) THE ISSUING PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLARSHIP ORGANIZATION'S NAME AND ADDRESS, AND (VI) ANY OTHER INFORMATION THAT THE COMMISSIONER MAY DEEM NECESSARY.

6. NOTIFICATION TO THE DEPARTMENT OF THE NON-ISSUANCE OF A CERTIFICATE OF RECEIPT. EACH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT RECEIVED NOTIFICATION FROM THE DEPARTMENT PURSUANT TO SUBDIVISION (G) OF THIS SECTION REGARDING THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE TO A TAXPAYER SHALL, WITHIN THIRTY DAYS OF THE EXPIRATION DATE FOR SUCH AUTHORIZED CONTRIBUTION, PROVIDE NOTIFICATION TO THE DEPARTMENT FOR EACH TAXPAYER THAT FAILED, IN WHOLE OR IN PART, TO MAKE THE AUTHORIZED CONTRIBUTION TO SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT; PROVIDED THAT SUCH NOTIFICATION SHALL INCLUDE (I) THE TAXPAYER'S NAME AND ADDRESS, (II) THE DATE THAT THE CONTRIBUTION AUTHORIZATION CERTIFICATE WAS ISSUED, (III) THE AUTHORIZED CONTRIBUTION AMOUNT SET FORTH ON SUCH CERTIFICATE, (IV) THE AMOUNT OF ANY QUALIFIED CONTRIBUTION MADE BY THE TAXPAYER AND THE CORRESPONDING CONTRIBUTION AUTHORIZATION CERTIFICATE NUMBER, (V) THE AMOUNT OF THE AUTHORIZED CONTRIBUTION FOR WHICH THE TAXPAYER DID NOT MAKE A CONTRIBUTION, (VI) THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION'S NAME AND ADDRESS, AND (VII) ANY OTHER INFORMATION THAT THE COMMISSIONER MAY DEEM NECESSARY.

7. FAILURE TO NOTIFY THE DEPARTMENT. UPON DISCOVERY OF THE FAILURE OF ANY PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION TO COMPLY WITH THE NOTIFICATION REQUIREMENTS PRESCRIBED BY PARAGRAPHS FIVE AND SIX OF THIS SUBDIVISION, THE COMMISSIONER SHALL ISSUE A NOTICE OF COMPLIANCE FAILURE TO SUCH ENTITY, FUND OR ORGANIZATION. SUCH ENTITY, FUND OR ORGANIZATION SHALL HAVE THIRTY DAYS FROM THE DATE OF SUCH NOTICE TO MAKE THE NOTIFICATIONS PRESCRIBED BY PARAGRAPHS FIVE AND SIX OF THIS SUBDIVISION. SUCH PERIOD MAY BE EXTENDED FOR AN ADDITIONAL THIRTY DAYS UPON THE REQUEST OF THE ENTITY, FUND OR ORGANIZATION. UPON THE EXPIRATION OF THE PERIOD FOR COMPLIANCE SET FORTH IN THE NOTICE PRESCRIBED BY THIS PARAGRAPH, THE COMMISSIONER SHALL NOTIFY THE BOARD OF REGENTS AND THE COMMISSIONER OF EDUCATION OF ANY ENTITY, FUND OR ORGANIZATION THAT FAILS TO MAKE THE NOTIFICATIONS PRESCRIBED BY PARAGRAPHS FIVE AND SIX OF THIS SUBDIVISION.

(I) CREDIT LIMITATION. THE MAXIMUM AMOUNT OF CREDIT THAT A TAXPAYER MAY CLAIM FOR A TAXABLE YEAR SHALL NOT EXCEED THE LESSER OF (I) SEVENTY-FIVE PERCENT OF THE TAXPAYER'S TAX DUE FOR THE TAXABLE YEAR, AFTER APPLICATION OF ANY OTHER ALLOWABLE CREDITS BY THE TAXPAYER, OR (II) ONE MILLION DOLLARS FOR THE CALENDAR YEAR. PROVIDED, HOWEVER, THE COMMISSIONER SHALL DISALLOW THE PORTION OF THE CREDIT EQUAL TO THE AMOUNT SAVED FROM THE FEDERAL TAX LIABILITY OF THE TAXPAYER FROM THE CHARITABLE CONTRIBUTION TO A QUALIFIED ORGANIZATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE. ANY CREDIT IN EXCESS OF THIS LIMITATION MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

(J) CREDIT CAP. THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION AVAILABLE TO ALL TAXPAYERS FOR QUALIFIED CONTRIBUTIONS TO PUBLIC EDUCA-

TION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS FOR CALENDAR YEAR TWO THOUSAND FIFTEEN SHALL BE TWO HUNDRED FIFTY MILLION DOLLARS. IN CALENDAR YEAR TWO THOUSAND SIXTEEN AND THEREAFTER, THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION AVAILABLE TO ALL TAXPAYERS SHALL BE THREE HUNDRED MILLION, PLUS ANY AMOUNTS THAT ARE REQUIRED TO BE ADDED TO THE CAP PURSUANT TO THIS SUBDIVISION. THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION FOR QUALIFIED CONTRIBUTIONS SHALL BE ALLOCATED FIFTY PERCENT TO PUBLIC EDUCATION ENTITIES AND LOCAL EDUCATION FUNDS AND FIFTY PERCENT TO EDUCATIONAL SCHOLARSHIP ORGANIZATIONS.

(K) ADDITIONS TO THE CREDIT CAP. 1. UNISSUED CERTIFICATES OF RECEIPT. ANY AMOUNTS FOR WHICH THE DEPARTMENT RECEIVES NOTIFICATION OF NON-ISSUANCE OF A CERTIFICATE OF RECEIPT SHALL BE ADDED TO THE CAP PRESCRIBED IN SUBDIVISION (J) OF THIS SECTION FOR THE IMMEDIATELY FOLLOWING YEAR.

2. UNCLAIMED CREDIT. UPON THE EXPIRATION OF THE TIME DURING WHICH A TAXPAYER MAY CLAIM CREDIT OR REFUND OF AN OVERPAYMENT OF TAX PURSUANT TO SECTION SIX HUNDRED EIGHTY-SEVEN OF THIS CHAPTER, IN THE CASE OF AN ARTICLE TWENTY-TWO TAXPAYER, OR SECTION ONE THOUSAND EIGHTY-SEVEN OF THIS CHAPTER, IN THE CASE OF AN ARTICLE NINE-A, THIRTY-TWO OR THIRTY-THREE TAXPAYER, ANY AMOUNT FOR WHICH A CERTIFICATE OF RECEIPT WAS ISSUED BY NOT CLAIMED AS A CREDIT BY A TAXPAYER SHALL BE ADDED TO THE CAP PRESCRIBED IN SUBDIVISION (J) OF THIS SECTION FOR THE YEAR IMMEDIATELY FOLLOWING THE YEAR IN WHICH SUCH PERIOD OF TIME EXPIRED.

(L) OTHER REQUIREMENTS; MISCELLANEOUS. 1. RECORD KEEPING. EACH TAXPAYER SHALL, FOR EACH TAXABLE YEAR FOR WHICH THE EDUCATION INVESTMENT TAX CREDIT PROVIDED FOR UNDER THIS SECTION IS CLAIMED, MAINTAIN RECORDS OF THE FOLLOWING INFORMATION: (I) CONTRIBUTION AUTHORIZATION CERTIFICATES OBTAINED PURSUANT TO SUBDIVISION (G) OF THIS SECTION, AND (II) CERTIFICATES OF RECEIPT OBTAINED PURSUANT TO SUBDIVISION (H) OF THIS SECTION.

2. REGULATIONS. THE COMMISSIONER IS HEREBY AUTHORIZED TO PROMULGATE AND ADOPT ON AN EMERGENCY BASIS REGULATIONS NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION. SUCH REGULATIONS SHALL CONSTRUE THE PROVISIONS OF THIS SECTION IN SUCH A MANNER AS TO ENCOURAGE QUALIFIED CONTRIBUTIONS, PROVIDED THAT SUCH REGULATIONS SHALL NOT IMPOSE ANY NEW REQUIREMENT OR BURDEN ON THE EDUCATIONAL PROGRAM, INSTRUCTION, OR ACTIVITIES OF A PUBLIC OR NON-PUBLIC SCHOOL.

(M) REPORTS. 1. REPORTS TO THE COMMISSIONER. ON OR BEFORE THE LAST DAY OF FEBRUARY FOR EACH CALENDAR YEAR, EACH PUBLIC EDUCATION ENTITY, LOCAL EDUCATION FUND, AND EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT ISSUED ONE OR MORE CERTIFICATES OF RECEIPT SHALL REPORT TO THE COMMISSIONER THE NUMBER OF SUCH CERTIFICATES ISSUED AND THE AGGREGATE AMOUNT OF QUALIFIED CONTRIBUTIONS MADE TO SUCH ENTITY, FUND, OR ORGANIZATION DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR.

2. JOINT ANNUAL REPORT. ON OR BEFORE THE LAST DAY OF MAY FOR EACH CALENDAR YEAR, FOR THE IMMEDIATELY PRECEDING YEAR, THE COMMISSIONER AND THE COMMISSIONER OF EDUCATION SHALL JOINTLY SUBMIT A WRITTEN REPORT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE AND THE CHAIRMAN OF THE ASSEMBLY WAYS AND MEANS COMMITTEE REGARDING THE EDUCATION INVESTMENT TAX CREDIT. SUCH REPORT SHALL CONTAIN STATISTICAL INFORMATION, BY TAX TYPE, REGARDING THE NUMBER OF APPLICATIONS RECEIVED, THE NUMBER OF CONTRIBUTION AUTHORIZATION CERTIFICATES ISSUED FOR CONTRIBUTIONS TO PUBLIC EDUCATION ENTITIES AND QUALIFIED LOCAL EDUCATION FUNDS, THE NUMBER OF CONTRIBUTION AUTHORIZATION CERTIFICATES ISSUED FOR AUTHORIZED CONTRIBUTIONS TO QUALIFIED SCHOLARSHIP ORGANIZATIONS, THE AGGREGATE AMOUNT OF AUTHORIZED CONTRIBUTIONS FOR PUBLIC EDUCATION ENTITIES AND

QUALIFIED LOCAL EDUCATION FUNDS, THE AGGREGATE AMOUNT OF AUTHORIZED CONTRIBUTIONS FOR EDUCATIONAL SCHOLARSHIP ORGANIZATIONS, THE GEOGRAPHICAL DISTRIBUTION BY COUNTY OF THE APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES, THE GEOGRAPHICAL DISTRIBUTION BY COUNTY OF PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS FOR WHICH CONTRIBUTION AUTHORIZATION CERTIFICATES WERE ISSUED; INFORMATION, INCLUDING GEOGRAPHICAL DISTRIBUTION BY COUNTY, OF THE NUMBER OF ELIGIBLE PUPILS THAT RECEIVED SCHOLARSHIPS, THE NUMBER OF QUALIFIED SCHOOLS ATTENDED BY ELIGIBLE PUPILS THAT RECEIVED SUCH SCHOLARSHIPS, AND THE AVERAGE VALUE OF SCHOLARSHIPS RECEIVED BY SUCH ELIGIBLE PUPILS. THE COMMISSIONER AND DESIGNATED EMPLOYEES OF THE DEPARTMENT, THE BOARD OF REGENTS AND ALL MEMBERS OF THE BOARD OF REGENTS, INCLUDING THE COMMISSIONER OF EDUCATION AND DESIGNATED EMPLOYEES OF THE DEPARTMENT OF EDUCATION, SHALL BE ALLOWED AND ARE DIRECTED TO SHARE AND EXCHANGE INFORMATION REGARDING THE CREDITS APPLIED FOR, ALLOWED OR CLAIMED PURSUANT TO THIS SECTION; THE TAXPAYERS WHO ARE APPLYING FOR CREDITS OR WHO ARE CLAIMING CREDITS, INCLUDING INFORMATION CONTAINED IN OR DERIVED FROM CREDIT CLAIM FORMS SUBMITTED TO THE DEPARTMENT; AND THE PUBLIC EDUCATION ENTITIES, LOCAL EDUCATION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS THAT APPLIED FOR APPROVAL TO BE AUTHORIZED TO RECEIVE QUALIFIED CONTRIBUTIONS AND WHO WERE APPROVED TO BE AUTHORIZED TO ISSUE CERTIFICATES OF RECEIPT, INCLUDING INFORMATION CONTAINED IN OR DERIVED FROM APPLICATION FORMS SUBMITTED TO THE DEPARTMENT OF EDUCATION OR BOARD OF REGENTS.

(N) CROSS REFERENCES. FOR APPLICATION OF THE CREDIT PROVIDED FOR IN THIS SECTION, SEE THE FOLLOWING PROVISIONS OF THIS CHAPTER:

1. ARTICLE 9-A: SECTION 210; SUBDIVISION 48;

2. ARTICLE 22: SECTION 606; SUBSECTIONS (I) AND (W); AND SECTION 615; SUBSECTION (G);

3. ARTICLE 32: SECTION 1456; SUBSECTION (AA);

4. ARTICLE 33: SECTION 1511; SUBDIVISION (DD).

S 4. Paragraph (b) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 21 to read as follows:

(21) THE AMOUNT OF ANY DEDUCTION ALLOWED PURSUANT TO SECTION ONE HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE FOR WHICH CREDIT IS CLAIMED PURSUANT TO SUBDIVISION FORTY-EIGHT OF SECTION TWO HUNDRED TEN OF THIS ARTICLE.

S 5. Section 210 of the tax law is amended by adding a new subdivision 48 to read as follows:

48. EDUCATION INVESTMENT TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION FORTY-ONE OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(B) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR THAT YEAR TO LESS THAN THE HIGHER OF THE AMOUNTS PRESCRIBED IN PARAGRAPHS (C) OR (D) OF SUBDIVISION ONE OF THIS SECTION. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR QUALIFIED CONTRIBUTIONS FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER TO THE SUCCEEDING FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 6. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xxxvii) to read as follows:

(XXXVII) EDUCATION INVESTMENT TAX CREDIT UNDER SUBSECTION (XX)	AMOUNT OF CREDIT UNDER SUBDIVISION FORTY-EIGHT OF SECTION TWO HUNDRED TEN OR SUBSECTION (AA) OF SECTION FOURTEEN HUNDRED FIFTY-SIX

S 7. Section 606 of the tax law is amended by adding a new subsection (w) to read as follows:

(W) INSTRUCTIONAL MATERIALS AND SUPPLIES CREDIT. FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT IN THE AMOUNT PAID BY THE TAXPAYER DURING THE TAXABLE YEAR FOR INSTRUCTIONAL MATERIALS AND SUPPLIES WITH RESPECT TO CLASSROOM BASED INSTRUCTION IN A QUALIFIED SCHOOL, OR TWO HUNDRED DOLLARS, WHICHEVER IS LESS; PROVIDED THAT THE TAXPAYER IS A TEACHER, INSTRUCTOR, COUNSELOR, PRINCIPAL, OR AIDE IN A QUALIFIED SCHOOL, AS DEFINED IN SECTION FORTY-ONE OF THIS CHAPTER, FOR AT LEAST NINE HUNDRED HOURS DURING A SCHOOL YEAR. FOR PURPOSES OF THIS SUBSECTION, THE TERM "MATERIALS AND SUPPLIES" MEANS AMOUNTS PAID FOR INSTRUCTIONAL MATERIALS OR SUPPLIES THAT ARE DESIGNATED FOR CLASSROOM USE IN ANY QUALIFIED SCHOOL.

S 8. Subsections (yy) and (zz) of section 606 of the tax law, as relettered by section 5 of part H of chapter 1 of the laws of 2003 are relettered subsections (yyy) and (zzz) and a new subsection (xx) is added to read as follows:

(XX) EDUCATION INVESTMENT TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT TO BE COMPUTED AS PROVIDED IN SECTION FORTY-ONE OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(2) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY QUALIFIED CONTRIBUTIONS FOR ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS MAY BE CARRIED OVER TO THE SUCCEEDING FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 9. Subsection (g) of section 615 of the tax law is amended by adding a new paragraph 3 to read as follows:

(3) WITH RESPECT TO AN INDIVIDUAL WHO HAS CLAIMED THE EDUCATION INVESTMENT TAX CREDIT FOR QUALIFIED CONTRIBUTIONS PURSUANT TO SUBDIVISION (XX) OF SECTION SIX HUNDRED SIX OF THIS ARTICLE, THE TAXPAYER'S NEW YORK ITEMIZED DEDUCTION SHALL BE REDUCED BY ANY CHARITABLE CONTRIBUTION DEDUCTION ALLOWED UNDER SECTION ONE HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE WITH RESPECT TO SUCH QUALIFIED CONTRIBUTIONS.

S 10. Section 1456 of the tax law is amended by adding a new subsection (aa) to read as follows:

(AA) EDUCATION INVESTMENT TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT TO BE COMPUTED AS PROVIDED IN SECTION FORTY-ONE OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(2) APPLICATION OF CREDIT. IN NO EVENT SHALL THE CREDIT ALLOWED UNDER THIS SECTION BE ALLOWED IN AN AMOUNT WHICH WILL REDUCE THE TAX TO LESS THAN THE MINIMUM TAX FIXED BY SUBSECTION (B) OF SECTION FOURTEEN HUNDRED FIFTY-FIVE OF THIS ARTICLE. IF, HOWEVER, THE AMOUNT OF CREDIT FOR ANY QUALIFIED CONTRIBUTIONS FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, THE EXCESS MAY BE CARRIED OVER TO THE SUCCEEDING FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 11. Subsection (b) of section 1453 of the tax law is amended by adding a new paragraph 16 to read as follows:

(16) THE AMOUNT OF ANY DEDUCTION ALLOWED PURSUANT TO SECTION ONE HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE FOR WHICH CREDIT IS CLAIMED PURSUANT TO SECTION FOURTEEN HUNDRED FIFTY-SIX OF THIS ARTICLE.

S 12. Paragraph 2 of subdivision (b) of section 1503 of the tax law is amended by adding a new subparagraph (W) to read as follows:

(W) THE AMOUNT OF ANY DEDUCTION ALLOWED PURSUANT TO SECTION ONE HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE FOR WHICH CREDIT IS CLAIMED PURSUANT TO SECTION FIFTEEN HUNDRED ELEVEN OF THIS ARTICLE.

S 13. Section 1511 of the tax law is amended by adding a new subdivision (dd) to read as follows:

(DD) EDUCATION INVESTMENT TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT TO BE COMPUTED AS PROVIDED IN SECTION FORTY-ONE OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(2) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE MINIMUM FIXED BY PARAGRAPH FOUR OF SUBDIVISION (A) OF SECTION FIFTEEN HUNDRED TWO OR BY SECTION FIFTEEN HUNDRED TWO-A OF THIS ARTICLE, WHICHEVER IS APPLICABLE. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY QUALIFIED CONTRIBUTIONS FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, THE EXCESS MAY BE CARRIED OVER TO THE SUCCEEDING FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 14. The education law is amended by adding a new article 25 to read as follows:

ARTICLE 25

EDUCATION INVESTMENT TAX CREDIT PROGRAM

SECTION 1209. SHORT TITLE.
1210. DEFINITIONS.
1211. APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.
1212. APPLICATIONS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.
1213. APPLICATION APPROVAL.
1214. REVOCATION OF APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.
1215. REPORTING AND RECORDKEEPING.
1216. COMMISSIONER; POWERS.

S 1209. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "EDUCATION INVESTMENT TAX CREDIT PROGRAM".

S 1210. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "AUTHORIZED CONTRIBUTION" MEANS THE CONTRIBUTION AMOUNT LISTED ON THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO A TAXPAYER.

2. "CONTRIBUTION" MEANS A DONATION PAID BY CASH, CHECK, ELECTRONIC FUNDS TRANSFER, DEBIT CARD OR CREDIT CARD MADE BY THE TAXPAYER DURING THE TAX YEAR.

3. "EDUCATIONAL PROGRAM" MEANS AN ACADEMIC OR SIMILAR PROGRAM OF A PUBLIC SCHOOL THAT ENHANCES THE CURRICULUM OR ACADEMIC PROGRAM OF THE PUBLIC SCHOOL, OR PROVIDES A PRE-KINDERGARTEN PROGRAM TO THE PUBLIC SCHOOL. FOR PURPOSES OF THIS DEFINITION, THE INSTRUCTION, MATERIALS, PROGRAMS OR OTHER ACTIVITIES OFFERED BY OR THROUGH AN EDUCATIONAL PROGRAM MAY INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING FEATURES: (A) INSTRUCTION OR MATERIALS PROMOTING HEALTH, PHYSICAL EDUCATION, AND FAMILY AND CONSUMER SCIENCES; LITERARY, PERFORMING AND VISUAL ARTS; MATHEMATICS, SOCIAL STUDIES, TECHNOLOGY AND SCIENTIFIC ACHIEVEMENT; (B) INSTRUCTION OR PROGRAMMING TO MEET THE EDUCATION NEEDS OF AT-RISK STUDENTS OR STUDENTS WITH DISABILITIES, INCLUDING TUTORING OR COUNSELING; (C) INSTRUCTION OR PROGRAMMING BEFORE OR AFTER PUBLIC SCHOOL HOURS, OR ON WEEKENDS THAT IMPROVES STUDENT ACADEMIC ACHIEVEMENT INCLUDING PREPARATION FOR COLLEGE OR A CAREER; OR (D) USE OF SPECIALIZED

INSTRUCTIONAL MATERIALS, INSTRUCTORS OR INSTRUCTION NOT PROVIDED BY A PUBLIC SCHOOL.

4. "EDUCATIONAL SCHOLARSHIP ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTITY WHICH (I) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) USES OR DESIGNATES AT LEAST NINETY PERCENT OF THE REVENUE FROM QUALIFIED CONTRIBUTIONS RECEIVED DURING THE LAST MONTH OF THE IMMEDIATELY PRECEDING CALENDAR YEAR AND THE FIRST ELEVEN MONTHS OF THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS FOR SCHOLARSHIPS, (III) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, (IV) PROVIDES SCHOLARSHIPS TO ONLY ELIGIBLE PUPILS FOR USE AT NOT FEWER THAN THREE QUALIFIED SCHOOLS, AND (V) IS APPROVED TO RECEIVE AUTHORIZED CONTRIBUTIONS AND ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE.

5. "ELIGIBLE PUPIL" MEANS A CHILD WHO (I) IS A RESIDENT OF THIS STATE, (II) IS SCHOOL AGE IN ACCORDANCE WITH SUBDIVISION ONE OF SECTION THIRTY-TWO HUNDRED TWO OF THIS CHAPTER OR WHO IS FOUR YEARS OF AGE ON OR BEFORE DECEMBER FIRST OF THE YEAR IN WHICH THEY ARE ENROLLED IN A PRE-KINDERGARTEN PROGRAM, (III) ATTENDS OR IS ABOUT TO ATTEND A QUALIFIED SCHOOL, AND (IV) WHOSE HOUSEHOLD'S ANNUAL ADJUSTED GROSS INCOME SHALL NOT EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS, PROVIDED HOWEVER, THAT SUCH INCOME LEVEL SHALL BE INCREASED FOR AN ELIGIBLE PUPIL BY TEN THOUSAND DOLLARS FOR EACH DEPENDENT CHILD ABOVE TWO CHILDREN IN SUCH HOUSEHOLD, NOT TO EXCEED AN ADDITIONAL FIFTY THOUSAND DOLLARS.

6. "LOCAL EDUCATION FUND" MEANS A NOT-FOR-PROFIT ENTITY WHICH (I) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) IS ESTABLISHED FOR THE PURPOSE OF SUPPORTING AT LEAST ONE PUBLIC SCHOOL, OR A PUBLIC SCHOOL DISTRICT LOCATED IN THIS STATE, (III) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE LAST MONTH OF THE IMMEDIATELY PRECEDING CALENDAR YEAR AND THE FIRST ELEVEN MONTHS OF THE CALENDAR YEAR AND ANY INCOME DERIVED FROM SUCH QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS TO SUPPORT THE PUBLIC SCHOOL OR SCHOOLS OR PUBLIC SCHOOL DISTRICT OR DISTRICTS THAT SUCH FUND HAS BEEN ESTABLISHED TO SUPPORT, (IV) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE FUND'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (V) IS APPROVED TO RECEIVE AUTHORIZED CONTRIBUTIONS AND ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE.

7. "NONPUBLIC SCHOOL" MEANS ANY NOT-FOR-PROFIT PRE-KINDERGARTEN PROGRAM OR ELEMENTARY, SECONDARY SECTARIAN OR NONSECTARIAN SCHOOL, OTHER THAN A PUBLIC SCHOOL, THAT IS PROVIDING INSTRUCTION AT ONE OR MORE LOCATIONS TO AN ELIGIBLE PUPIL IN ACCORDANCE WITH SUBDIVISION TWO OF SECTION THIRTY-TWO HUNDRED FOUR OF THIS CHAPTER.

8. "PUBLIC EDUCATION ENTITY" MEANS A PUBLIC SCHOOL DISTRICT IN THIS STATE, OR A PUBLIC SCHOOL IN THIS STATE, PROVIDED THAT SUCH PUBLIC SCHOOL DISTRICT OR PUBLIC SCHOOL DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE FROM OPERATING OR OTHER FUNDS AND IS APPROVED TO RECEIVE AUTHORIZED CONTRIBUTIONS AND ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE.

9. "PUBLIC SCHOOL" MEANS ANY FREE ELEMENTARY OR SECONDARY SCHOOL IN THIS STATE PURSUANT TO ARTICLE ELEVEN OF THE NEW YORK CONSTITUTION, BUT SHALL NOT INCLUDE A CHARTER SCHOOL AUTHORIZED BY ARTICLE FIFTY-SIX OF THIS CHAPTER.

10. "PUBLIC SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT DESCRIBED IN ARTICLE THIRTY-ONE OR THIRTY-SEVEN OF THIS CHAPTER.

11. "QUALIFIED CONTRIBUTION" MEANS THE AUTHORIZED CONTRIBUTION MADE BY A TAXPAYER TO A PUBLIC EDUCATION ENTITY, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION LISTED IN THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO THE TAXPAYER FOR WHICH THE TAXPAYER HAS RECEIVED A CERTIFICATE OF RECEIPT FROM SUCH ENTITY, FUND, OR ORGANIZATION.

12. "QUALIFIED EDUCATOR" MEANS AN INDIVIDUAL WHO IS A TEACHER, INSTRUCTOR, COUNSELOR, PRINCIPAL, OR AIDE IN A QUALIFIED SCHOOL FOR AT LEAST NINE HUNDRED HOURS DURING A SCHOOL YEAR.

13. "QUALIFIED SCHOOL" MEANS A PUBLIC SCHOOL OR NONPUBLIC SCHOOL LOCATED IN THIS STATE.

14. "REPORTING YEAR" SHALL MEAN THE FIRST ELEVEN MONTHS OF THE IMMEDIATELY PRECEDING CALENDAR YEAR AND THE LAST MONTH OF THE CALENDAR YEAR IMMEDIATELY PRECEDING SUCH YEAR.

15. "SCHOLARSHIP" MEANS AN EDUCATIONAL SCHOLARSHIP OR TUITION GRANT AWARDED TO AN ELIGIBLE PUPIL TO ATTEND A QUALIFIED SCHOOL IN AN AMOUNT NOT TO EXCEED THE TUITION NECESSARY TO ATTEND SUCH SCHOOL; PROVIDED, HOWEVER, IN THE CASE OF AN ELIGIBLE PUPIL ATTENDING A PUBLIC SCHOOL IN A DISTRICT OF WHICH SUCH PUPIL IS NOT A RESIDENT, THE AMOUNT OF THE EDUCATIONAL SCHOLARSHIP OR TUITION GRANT AWARDED MAY NOT EXCEED THE TUITION CHARGED BY THE PUBLIC SCHOOL PURSUANT TO PARAGRAPH D OF SUBDIVISION FOUR OF SECTION THIRTY-TWO HUNDRED TWO OF THIS CHAPTER, BUT ONLY IF THE SCHOOL DISTRICT OF WHICH SUCH PUPIL IS A RESIDENT IS NOT REQUIRED TO PAY FOR SUCH TUITION.

16. "SCHOOL IMPROVEMENT ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTITY THAT (I) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE LAST MONTH OF THE IMMEDIATELY PRECEDING CALENDAR YEAR AND THE FIRST ELEVEN MONTHS OF THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS TO ASSIST PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE IN THEIR PROVISION OF EDUCATIONAL PROGRAMS, EITHER BY MAKING CONTRIBUTIONS TO ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE OR PROVIDING EDUCATIONAL PROGRAMS TO, OR IN CONJUNCTION WITH, ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE, (III) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (IV) IS APPROVED TO RECEIVE AUTHORIZED CONTRIBUTIONS AND ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE. SUCH TERM INCLUDES A PRE-KINDERGARTEN PROGRAM OR NOT-FOR-PROFIT ENTITY THAT ALLOWS THE TAXPAYER TO CHOOSE TO DONATE TO A PROGRAM, PROJECT OR INITIATIVE IDENTIFIED BY A QUALIFIED EDUCATOR FOR USE IN A PUBLIC SCHOOL.

S 1211. APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. 1. PUBLIC SCHOOLS AND PUBLIC SCHOOL DISTRICTS. ALL PUBLIC SCHOOLS AND PUBLIC SCHOOL DISTRICTS SHALL BE APPROVED TO ISSUE CERTIFICATES OF RECEIPT FOR QUALIFIED CONTRIBUTIONS IN ACCORDANCE WITH SECTION FORTY-ONE OF THE TAX LAW, PROVIDED, THAT SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT SHALL NOT BE APPROVED IF EITHER (I) SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT

FAILS TO DEPOSIT AND HOLD QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE SCHOOL OR SCHOOL DISTRICT'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, OR (II) THE COMMISSIONER HAS NOT REVOKED SUCH APPROVAL FOR SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT PURSUANT TO SECTION TWELVE HUNDRED SIXTEEN OF THIS ARTICLE.

2. SCHOOL IMPROVEMENT ORGANIZATIONS, EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AND LOCAL EDUCATION FUNDS. NO SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP ORGANIZATION OR LOCAL EDUCATION FUND SHALL ISSUE ANY CERTIFICATES OF RECEIPT WITHOUT FILING AN APPLICATION PURSUANT TO SECTION TWELVE HUNDRED TWELVE AND RECEIVING APPROVAL PURSUANT TO SECTION TWELVE HUNDRED THIRTEEN OF THIS ARTICLE.

S 1212. APPLICATIONS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. 1. SCHOOL IMPROVEMENT ORGANIZATIONS. A SCHOOL IMPROVEMENT ORGANIZATION SHALL SUBMIT AN APPLICATION FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT IN THE FORM AND MANNER PRESCRIBED BY THE COMMISSIONER, PROVIDED THAT SUCH APPLICATION SHALL INCLUDE (I) SUBMISSION OF DOCUMENTARY EVIDENCE THAT SUCH SCHOOL IMPROVEMENT ORGANIZATION HAS BEEN GRANTED EXEMPTION FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) CERTIFICATION THAT ALL QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS ARE DEPOSITED AND HELD IN AN ACCOUNT THAT IS SEPARATE FROM THE FUND'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, (III) CERTIFICATION THAT SUCH SCHOOL IMPROVEMENT ORGANIZATION WILL USE AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE LAST MONTH OF THE IMMEDIATELY PRECEDING CALENDAR YEAR AND THE FIRST ELEVEN MONTHS OF THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS TO ASSIST PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS IN THIS STATE IN THE PROVISION OF THEIR EDUCATIONAL PROGRAMS BY MAKING CONTRIBUTIONS TO ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS, OR PROVIDING EDUCATIONAL PROGRAMS TO, OR IN CONJUNCTION WITH, ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE, AND (IV) A LIST OF THE NAMES AND ADDRESSES OF ALL MEMBERS OF THE GOVERNING BOARD OF THE SCHOOL IMPROVEMENT ORGANIZATION.

2. EDUCATIONAL SCHOLARSHIP ORGANIZATIONS. AN EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL SUBMIT AN APPLICATION FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT IN THE FORM AND MANNER PRESCRIBED BY THE COMMISSIONER, PROVIDED THAT SUCH APPLICATION SHALL INCLUDE (I) SUBMISSION OF DOCUMENTARY EVIDENCE THAT SUCH EDUCATIONAL SCHOLARSHIP ORGANIZATION HAS BEEN GRANTED EXEMPTION FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) CERTIFICATION THAT ALL QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS ARE DEPOSITED AND HELD IN AN ACCOUNT THAT IS SEPARATE FROM THE FUND'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, (III) CERTIFICATION THAT SUCH ORGANIZATION WILL USE OR DESIGNATE AT LEAST NINETY PERCENT OF ITS ANNUAL REVENUE FROM QUALIFIED CONTRIBUTIONS RECEIVED DURING THE LAST MONTH OF THE IMMEDIATELY PRECEDING CALENDAR YEAR AND THE FIRST ELEVEN MONTHS OF THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS FOR SCHOLARSHIPS, (IV) CERTIFICATION THAT SUCH ORGANIZATION WILL PROVIDE SCHOLARSHIPS TO ELIGIBLE PUPILS FOR USE AT NOT FEWER THAN THREE QUALIFIED SCHOOLS, AND (V) A LIST OF THE NAMES AND ADDRESSES OF ALL MEMBERS OF THE GOVERNING BOARD OF SUCH EDUCATIONAL SCHOLARSHIP ORGANIZATION.

3. LOCAL EDUCATION FUNDS. A LOCAL EDUCATION FUND SHALL SUBMIT AN APPLICATION FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT IN THE FORM AND MANNER PRESCRIBED BY THE COMMISSIONER, PROVIDED THAT SUCH APPLICATION SHALL INCLUDE (I) SUBMISSION OF DOCUMENTARY EVIDENCE THAT SUCH LOCAL EDUCATIONAL FUND HAS BEEN GRANTED EXEMPTION FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) DOCUMENTATION THAT SUCH LOCAL EDUCATION FUND HAS BEEN ESTABLISHED TO SUPPORT AT LEAST ONE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT, (III) THE NAME OF EACH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT THAT IS EITHER SUPPORTED BY OR WILL BE SUPPORTED BY SUCH LOCAL EDUCATION FUND, (IV) CERTIFICATION THAT SUCH FUND WILL USE AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE LAST MONTH OF THE IMMEDIATELY PRECEDING CALENDAR YEAR AND THE FIRST ELEVEN MONTHS OF THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS TO SUPPORT THE PUBLIC SCHOOL OR SCHOOLS OR PUBLIC SCHOOL DISTRICT OR DISTRICTS THAT SUCH FUND HAS BEEN ESTABLISHED TO SUPPORT, (V) CERTIFICATION THAT SUCH FUND WILL DEPOSIT AND HOLD QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE FUND'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (VI) A LIST OF THE NAMES AND ADDRESSES OF ALL MEMBERS OF THE GOVERNING BOARD OF SUCH LOCAL EDUCATION FUND.

S 1213. APPLICATION APPROVAL. 1. IN GENERAL. THE BOARD OF REGENTS SHALL REVIEW EACH APPLICATION TO DETERMINE WHETHER THE APPLICANT SHALL BE ENTITLED TO APPROVAL TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE. APPROVAL OR DENIAL OF AN APPLICATION SHALL BE MADE AT THE NEXT SCHEDULED MEETING OF THE BOARD OF REGENTS, PROVIDED, HOWEVER THAT IF IT IS NOT PRACTICABLE FOR THE BOARD TO REVIEW AN APPLICATION THAT IS RECEIVED FEWER THAN THREE DAYS BEFORE A SCHEDULED MEETING, THE BOARD MAY REVIEW SUCH AN APPLICATION AT THE IMMEDIATELY FOLLOWING SCHEDULED MEETING.

2. NOTIFICATION. APPLICANTS SHALL BE NOTIFIED OF THE BOARD OF REGENTS' DETERMINATION WITHIN THREE BUSINESS DAYS OF THE BOARD'S DETERMINATION.

S 1214. REVOCATION OF APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. THE BOARD OF REGENTS, IN CONSULTATION WITH THE COMMISSIONER OF TAXATION AND FINANCE, MAY REVOKE THE APPROVAL OF A SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT TO ISSUE CERTIFICATES OF RECEIPT UPON A FINDING THAT SUCH ORGANIZATION, FUND, SCHOOL OR SCHOOL DISTRICT HAS COMMITTED MATERIAL AND SUBSTANTIAL VIOLATION OF THIS ARTICLE OR SECTION FORTY-ONE OF THE TAX LAW. THESE VIOLATIONS SHALL INCLUDE, BUT NOT BE LIMITED TO, ANY OF THE FOLLOWING: (1) FAILURE TO MEET THE REQUIREMENTS OF THIS ARTICLE, (2) THE FAILURE TO MAINTAIN FULL AND ADEQUATE RECORDS WITH RESPECT TO THE RECEIPT OF QUALIFIED CONTRIBUTIONS, (3) THE FAILURE TO SUPPLY SUCH RECORDS TO THE DEPARTMENT OR THE BOARD OF REGENTS, OR (4) THE FAILURE TO PROVIDE NOTICE TO THE DEPARTMENT OF TAXATION AND FINANCE OF THE ISSUANCE OF CERTIFICATES OF RECEIPT PURSUANT TO SECTION FORTY-ONE OF THE TAX LAW; PROVIDED, HOWEVER, THAT THE BOARD OF REGENTS SHALL NOT REVOKE APPROVAL PURSUANT TO THIS SECTION BASED UPON A VIOLATION OF TAX LAW UNLESS THE COMMISSIONER OF TAXATION AND FINANCE AGREES THAT REVOCATION IS WARRANTED; AND PROVIDED FURTHER THAT THE BOARD OF REGENTS SHALL NOT REVOKE APPROVAL PURSUANT TO THIS SECTION WHEN THE FAILURE TO COMPLY IS DUE TO CLERICAL ERROR AND NOT NEGLIGENCE OR INTENTIONAL DISREGARD FOR THE LAW. WITHIN FIVE DAYS OF THE DETERMINATION REVOKING APPROVAL, THE COMMISSIONER SHALL PROVIDE NOTICE OF SUCH REVOCATION TO THE EDUCATIONAL SCHOLARSHIP ORGANIZATION, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCA-

TION FUND, PUBLIC SCHOOL, OR PUBLIC SCHOOL DISTRICT AND TO THE DEPARTMENT OF TAXATION AND FINANCE.

S 1215. REPORTING AND RECORDKEEPING. 1. REPORTING. (A) EDUCATIONAL SCHOLARSHIP ORGANIZATIONS, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS, PUBLIC SCHOOLS AND PUBLIC SCHOOL DISTRICTS.

(I) AN EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT RECEIVES QUALIFIED CONTRIBUTIONS SHALL REPORT TO THE DEPARTMENT OR THE BOARD OF REGENTS, ON A FORM PRESCRIBED BY THE COMMISSIONER BY JANUARY THIRTY-FIRST OF EACH CALENDAR YEAR. SUCH REPORT SHALL INCLUDE: (A) THE NAME AND ADDRESS OF THE MEMBERS AND THE CHAIRPERSON OF THE GOVERNING BOARD OF THE ORGANIZATION, (B) THE TOTAL NUMBER OF CERTIFICATES OF RECEIPT ISSUED DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, (C) THE TOTAL DOLLAR AMOUNT OF QUALIFIED CONTRIBUTIONS RECEIVED, AS SET FORTH IN CERTIFICATES OF RECEIPT ISSUED DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, (D) THE TOTAL NUMBER OF ELIGIBLE PUPILS UTILIZING SCHOLARSHIPS FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR AND THE SCHOOL YEAR IN PROGRESS AND THE TOTAL DOLLAR VALUE OF THE SCHOLARSHIPS, (E) THE NAME AND ADDRESS OF EACH QUALIFIED SCHOOL AT WHICH SCHOLARSHIPS ARE CURRENTLY BEING UTILIZED, DETAILING THE NUMBER OF ELIGIBLE PUPILS AND THE TOTAL DOLLAR VALUE OF SCHOLARSHIPS BEING UTILIZED AT EACH QUALIFIED SCHOOL, AND (F) ANY ADDITIONAL RELATED INFORMATION REQUESTED BY THE COMMISSIONER.

(II) A SCHOOL IMPROVEMENT ORGANIZATION THAT RECEIVES QUALIFIED CONTRIBUTIONS SHALL REPORT TO THE DEPARTMENT OR BOARD OF REGENTS, ON A FORM PRESCRIBED BY THE COMMISSIONER BY JANUARY THIRTY-FIRST OF EACH CALENDAR YEAR. SUCH REPORT SHALL INCLUDE: (A) THE NAME AND ADDRESS OF THE MEMBERS AND THE CHAIRPERSON OF THE GOVERNING BOARD OF THE ORGANIZATION, (B) THE TOTAL NUMBER OF CERTIFICATES OF RECEIPT ISSUED DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, (C) THE TOTAL DOLLAR AMOUNT OF QUALIFIED CONTRIBUTIONS RECEIVED, AS SET FORTH IN THE CERTIFICATES OF RECEIPT ISSUED DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, (D) A LIST OF THE EDUCATIONAL PROGRAMS THAT WERE PROVIDED TO PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR THROUGH QUALIFIED CONTRIBUTIONS, INCLUDING THE GEOGRAPHIC LOCATION OF SUCH PROGRAMS BY COUNTY, AND (E) ANY ADDITIONAL RELATED INFORMATION REQUESTED BY THE COMMISSIONER.

(III) A LOCAL EDUCATION FUND THAT RECEIVES QUALIFIED CONTRIBUTIONS PURSUANT TO THIS ARTICLE SHALL REPORT TO THE DEPARTMENT OR THE BOARD OF REGENTS, ON A FORM PRESCRIBED BY THE COMMISSIONER BY JANUARY THIRTY-FIRST OF EACH CALENDAR YEAR. SUCH REPORT SHALL INCLUDE: (A) THE NAME AND ADDRESS OF THE MEMBERS AND THE CHAIRPERSON OF THE GOVERNING BOARD OF THE ORGANIZATION, (B) THE TOTAL NUMBER OF CERTIFICATES OF RECEIPT ISSUED DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, (C) THE TOTAL DOLLAR AMOUNT OF QUALIFIED CONTRIBUTIONS RECEIVED AS SET FORTH IN THE CERTIFICATES OF RECEIPT ISSUED DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, (D) THE NAME AND ADDRESS OF THE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS THAT THE LOCAL EDUCATION FUND SUPPORTED DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, AND (E) ANY ADDITIONAL RELATED INFORMATION REQUESTED BY THE COMMISSIONER.

(IV) A PUBLIC SCHOOL DISTRICT OR PUBLIC SCHOOL THAT RECEIVES QUALIFIED CONTRIBUTIONS SHALL REPORT TO THE COMMISSIONER OR BOARD OF REGENTS, ON A FORM PRESCRIBED BY THE COMMISSIONER BY JANUARY THIRTY-FIRST OF EACH CALENDAR YEAR. SUCH REPORT SHALL INCLUDE: (A) THE TOTAL NUMBER OF CERTIFICATES OF RECEIPT ISSUED DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR, (B) THE TOTAL DOLLAR AMOUNT OF QUALIFIED CONTRIBUTIONS RECEIVED AS SET FORTH IN THE CERTIFICATES OF RECEIPT ISSUED DURING THE PREVIOUS

CALENDAR YEAR, AND (C) ANY ADDITIONAL RELATED INFORMATION REQUESTED BY THE COMMISSIONER.

(B) SUCH REPORT REQUIRED PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION FOR A SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP FUND, OR LOCAL EDUCATION FUND ALSO SHALL INCLUDE: (I) CERTIFICATION FROM THE DIRECTOR OR CHIEF EXECUTIVE OFFICER OF THE ORGANIZATION OR ENTITY THAT SUCH ORGANIZATION OR ENTITY HAS COMPLIED WITH THE APPLICABLE REPORTING REQUIREMENTS OF SUBDIVISION (M) OF SECTION FORTY-ONE OF THE TAX LAW, (II) A COPY OF THE ORGANIZATION OR FUND'S FEDERAL FORM 990 OR OTHER FEDERAL FORM INDICATING TAX STATUS OF THE ORGANIZATION OR FUND FOR FEDERAL TAX PURPOSES, (III) CERTIFICATION THAT SUCH ORGANIZATION OR FUND USED, OR IN THE CASE OF EDUCATIONAL SCHOLARSHIP ORGANIZATIONS, USED OR DESIGNATED, AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE REPORTING YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS TO, IN THE CASE OF A SCHOOL IMPROVEMENT ORGANIZATION, ASSIST IN THE PROVISION OF EDUCATIONAL PROGRAMS IN AT LEAST ONE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT, OR IN THE CASE OF AN EDUCATIONAL SCHOLARSHIP ORGANIZATION, PROVIDE SCHOLARSHIPS TO ELIGIBLE STUDENTS, OR IN THE CASE OF A LOCAL EDUCATION FUND, SUPPORT AT LEAST ONE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT, (IV) CERTIFICATION THAT SUCH ORGANIZATION OR FUND DEPOSITED AND HELD ALL QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS ARE DEPOSITED AND HELD IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION OR FUND'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (V) A COPY OF THE ORGANIZATION'S CURRENT FINANCIAL STATEMENTS.

(C) SUCH REPORT REQUIRED PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION FOR A PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT ALSO SHALL INCLUDE (I) CERTIFICATION THAT SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT HAS COMPLIED WITH THE APPLICABLE REPORTING REQUIREMENTS OF SUBDIVISION (M) OF SECTION FORTY-ONE OF THE TAX LAW, AND (II) CERTIFICATION THAT SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE.

(D) JOINT ANNUAL REPORT. ON OR BEFORE THE LAST DAY OF MAY FOR EACH CALENDAR YEAR, THE COMMISSIONER OF TAXATION AND FINANCE AND THE COMMISSIONER, JOINTLY, SHALL SUBMIT A WRITTEN REPORT AS PROVIDED IN PARAGRAPH TWO OF SUBDIVISION (M) OF SECTION FORTY-ONE OF THE TAX LAW.

2. RECORDKEEPING. EACH EDUCATIONAL SCHOLARSHIP ORGANIZATION, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL AND PUBLIC SCHOOL DISTRICT THAT IS AUTHORIZED TO ISSUE CERTIFICATES OF RECEIPT SHALL MAINTAIN FULL AND ADEQUATE RECORDS OF THE FOLLOWING INFORMATION: (A) CREDIT AUTHORIZATION CERTIFICATES RECEIVED IN ACCORDANCE WITH SECTION FORTY-ONE OF THE TAX LAW, (B) THE CERTIFICATES OF RECEIPT ISSUED TO TAXPAYERS IN ACCORDANCE WITH SECTION FORTY-ONE OF THE TAX LAW, AND (C) ANY INFORMATION AS THE COMMISSIONER OR THE BOARD OF REGENTS MAY PRESCRIBE.

S 1216. COMMISSIONER; POWERS. THE COMMISSIONER SHALL PROMULGATE ON AN EMERGENCY BASIS REGULATIONS NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION. SUCH REGULATIONS SHALL CONSTRUE THE PROVISIONS OF THIS SECTION IN SUCH A MANNER AS TO ENCOURAGE QUALIFIED CONTRIBUTIONS; PROVIDED, HOWEVER, THAT SUCH REGULATIONS SHALL NOT IMPOSE ANY NEW REQUIREMENT OR BURDEN ON THE EDUCATIONAL PROGRAM, INSTRUCTION OR ACTIVITIES OF A PUBLIC OR NON-PUBLIC SCHOOL; AND PROVIDED, FURTHER, THAT THE COMMISSIONER SHALL

MAKE ANY APPLICATION REQUIRED TO BE FILED PURSUANT TO THIS ARTICLE AVAILABLE TO APPLICANTS WITHIN SIXTY DAYS OF THE EFFECTIVE DATE OF THIS ARTICLE.

S 15. The education law is amended by adding a new section 1503-a to read as follows:

S 1503-A. POWER TO ACCEPT AND SOLICIT GIFTS AND DONATIONS. 1. ALL SCHOOL DISTRICTS ORGANIZED BY SPECIAL LAWS OR PURSUANT TO THE PROVISIONS OF A GENERAL LAW ARE HEREBY AUTHORIZED AND EMPOWERED TO ACCEPT GIFTS, DONATIONS, AND CONTRIBUTIONS TO THE DISTRICT AND TO SOLICIT THE SAME.

2. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER OR OF ANY OTHER GENERAL OR SPECIAL LAW TO THE CONTRARY, THE RECEIPT OF SUCH GIFTS, DONATIONS, CONTRIBUTIONS AND OTHER FUNDS, AND ANY INCOME DERIVED THEREFROM, SHALL BE DISREGARDED FOR THE PURPOSES OF ALL APPORTIONMENTS, COMPUTATIONS, AND DETERMINATIONS OF STATE AID.

S 16. This act shall not be construed to authorize the commissioner of education or the commissioner of taxation and finance to impose any regulation or requirement on the educational program, instruction or activities of a public education entity, school improvement organization, local education fund or educational scholarship organization that receives charitable contributions pursuant to this act, or a non-public school with an eligible pupil who receives funding from an educational scholarship organization pursuant to this act, unless specifically authorized by this act.

S 17. Severability. If any provision of this section or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application, and to this end the provisions of this section are declared to be severable.

S 18. This act shall take effect immediately and shall apply to taxable years beginning after December 31, 2014.